GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1685
ANSWERED ON:07.03.2006
FINANCIAL ASSISTANCE FOR SETTING UP OF AGRO AND RURAL INDUSTRIES
Patil Shri Balasaheb Vikhe

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether difficulties are being faced by the people in rural and backward areas of Maharashtra in obtaining loans from Nationalized Banks for setting up Agro and Rural Industries;

(b): if so, the reasons therefor; and

(c): the details of financial support provided for setting up Agro and Rural Industries in Maharashtra during the financial year 2005-06?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): The Government in the Ministry of Agro and Rural Industries provides funds for its two credit-linked subsidy schemes of employment generation, namely,

(i) Rural Employment Generation Programme (REGP) by assisting entrepreneurs in setting up village industries, in rural areas and small towns, and

(ii) Prime Minister`s Rozgar Yojana (PMRY) by providing assistance to the educated unemployed youth in the rural as well as urban areas in setting up self-employment ventures. Subsidy admissible to the beneficiaries of both these schemes is released through banks in combination with the loans provided by these banks. The PMRY is implemented by the States while the REGP is implemented by the Khadi and Village Industries Commission (KVIC) and State Khadi and Village Industries Boards. Instances of difficulty, if lany, faced by the eligible applicants in obtaining loans from banks for setting up REGP/PMRY units are taken up by the KVIC/State Governments concerned in the meetings of the District Level Coordination Committees, District Task Force, State Level Coordination Committees, etc., to sort them out.

(c): Rs. 14.84 crore as margin money and Rs. 30.74 crore as bank loans under the REGP and Rs. 1.28 crore as grant for entrepreneur development and Rs. 37.60 crore as bank loan under the PMRY, have been provided as assistance to the entrepreneurs in Maharashtra during 2005-06 (up to December 2005). The latest State-wise amounts of Central Government subsidy released during 2005-06 to the banks by the Reserve Bank of India (RBI) (with which the Central Government deposits the amount of subsidy) have not yet been fully reported by the RBI to the Government.